

WAREHOUSE OPTIMIZATION PROVIDES SPACE TO GROW

ABOUT MOD-PAC CORP. Mod-Pac Corporation is a high value-added, on-demand print services manufacturer with a reputation for quick turnaround on custom items. Based in Buffalo, New York, with around 170 employees, the company converts raw paper rolls into products in three categories: custom folding cartons, stock folding cartons and personalized print services.

THE CHALLENGE. Mod-Pac warehouse operations are contained in a series of connected structures, separated by the type of material stored within: raw material, corrugated, stock boxes, and finished goods. As with many companies, Mod-Pac's inventory was expanding into its storage capacity. This disjointed expansion led to a situation where the inventory was ineffective; consequently, the warehouse operation was not as efficient as it could be. Mod-Pac reached out to Insyte, a NIST MEP affiliate, for assistance in managing the storage areas and improving inventory accuracy.

MEP CENTER'S ROLE. First, Insyte and selected Mod-Pac personnel observed plant operations, reviewed historical data, and interviewed warehouse and supporting personnel to assess the current situation. Next, they developed a series of short- and long-term recommendations for each of the material categories to discuss with Mod-Pac management. The management team evaluated and prioritized the recommendations and started initiatives within each of the storage areas.

In the raw material and corrugated structure, Mod-Pac positioned a high volume of material close to the first processing step, reducing material handling time and distance traveled. In the stock boxes area, the team replaced a pallet rack with a flow rack for selected SKUs, decreasing order pick-up time. And in the finished goods area, Mod-Pac removed double deep racks, rearranged remaining racking, and established visual floor locations for high- and medium-volume product. The improvements increased inventory accuracy, reduced put-away and pulling time, and decreased the time required for cycle counting. Mod-Pac reduced order picking time by a significant margin, and relocated excess racking to a separate area to increase storage capacity. The added space positions Mod-Pac for growth while preventing the need for a costly warehouse expansion.

"Insyte was able to provide the proper expertise to help us improve our warehouse processes. They integrated well with our teams and gave us achievable recommendations that we have been able to implement and sustain."

-David Lupp, CFO and COO

RESULTS



Inventory accuracy increased to **99%** (up from 4%)



Reduced order picking time by **34%**



Positioned the company for continued sales growth



Negated need for warehouse expansion and related costs of racking

CONTACT US



625 Broadway
ESD, Division of Science,
Technology & Innovation
(NYSTAR)
Albany, NY 12245



(518)292-5729



www.esd.ny.gov/nystar/nymep.asp



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